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NATIONAL RECONNAISSANCE OFFICE

WASHINGTON, D.C.

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**NRO REVIEW COMPLETED**

OFFICE OF THE DIRECTOR

MAR 8 1968

MEMORANDUM FOR THE DIRECTOR OF CIA RECONNAISSANCE PROGRAMS

SUBJECT: F.Y. 1969 Financial Program Recommendations

Guidance for the formulation of FY 1969 financial program recommendations for the U-2R Procurement, Idealist, Photographic Material and Processing, [redacted] (Aircraft), Corona, [redacted]

[redacted] accounts is contained in the attachments hereto.

Oxcart guidance will be furnished as soon as a new decision is made on the future of the A-12 aircraft.

The FY 1969 financial program recommendations are to be submitted by May 6, 1968, in one complete copy each for the DNRO, NRO Comptroller, and NRO Staff. It is requested that an extract copy of the [redacted] General R&D (Aircraft), [redacted]

estimates be furnished to [redacted]

Guidance for the FY 1970 budget estimate and the FY 1971 thru 1974 planning years will be furnished later, in accordance with the outline in [redacted]

ALEXANDER H. FLAX  
Director

Attachments

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U-2R PROCUREMENT:

A. This account is limited to U-2R investment costs only, for FY 1969. No costs for test, operational, or training support are to be included in this account.

As covering material for the FY 1969 cost estimates, at least the following information is to be furnished:

1. A table of the monthly delivery schedule for the 12 U-2R's being procured from prior year funds, current at time of estimate preparation.

2. A summary of the achieved/planned test program.

B. F.Y. 1969 Financial Program Recommendations:

1. The recommended program is to include equipment requirements for both the Agency and SAC. The Agency is to compile and submit the equipment requirements, with the cooperation and coordination of Director D.

2. For each recommended item of equipment, furnish gross quantities required (distinguish between Agency and SAC requirements), assets of this item on hand or on order (if applicable), unit and total cost for quantities recommended, reasons why the equipment is needed, possible substitutes from existing assets and why they are not considered adequate, and any other pertinent information. Costs of the basic equipment, and spares, AGE, test equipment, flight test, etc. (as applicable) are to be separately identified.

3. For purposes of distinguishing between Agency and SAC requirements, it will be considered that the allocation/distribution of U-2R aircraft will be as approved in [REDACTED]

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IDEALIST:

A. As covering material for the FY 1969 financial program recommendations, at least the following information is to be furnished:

For the U-2C's Only:

1. A tabulation of the actual aircraft inventory at 30 June 1967, actual at time of estimate preparation, and forecast for 30 June 1968 and 30 June 1969.

2. A table of flying hours (broken down between operations, ferry, test and training by Detachment) by tail number aircraft, as actually accomplished in each quarter of FY 1967, the first three quarters of FY 1968, and as forecast for the last quarter of FY 1968. For FY 1969, provide forecast flying hours by quarter, considering attrition, any aircraft out for IRAN, etc., again distinguishing between operational, ferry, test, and training hours; these need not be by tail number if attrition is anticipated.

3. A table of actual IRAN's and time in IRAN for the first three quarters of FY 1968, forecast for the fourth quarter of FY 1968, and forecast for each quarter of FY 1969.

4. Narrative material on significant over-all objectives, planned operational missions in FY 1969, planned aircraft locations, equipment improvement objectives, and significant requirements considerations.

For the U-2R's Only:

1. On the basis that 6 aircraft will be allocated to the Agency (reference [redacted] attached to [redacted] [redacted], provide a tabulation of month of aircraft acceptance for each of the six, and identify the planned test program (aircraft, aircraft months, time periods).

2. Provide a table of actual flying hours by quarter by aircraft thru March 31, 1968, and as forecast for 4th quarter FY 1968, plus quarterly forecasts by aircraft for FY 1969; distinguishing between test, operational, ferry, and training hours.

3. Narrative material on significant over-all objectives, planned operational missions in FY 1969, planned aircraft locations, and significant requirements considerations. This material is to exclude coverage appropriate to the U-2R procurement account.

B. F.Y. 1969 Financial Program Recommendations:

In the cost recommendations for FY 1969, no distinction is necessary between U-2C and U-2R requirements. Submissions will be on a "total fleet"

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**TOP SECRET**



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basis. (This assumes that any New Equipment recommendations under this account will be solely for U-2C's, with New Equipment for U-2R's under the U-2R Procurement account.)

1. New Equipment. This category is to cover any new equipment recommendations for the U-2C aircraft only, whether they be cameras, airborne electronics, ground equipment, or other U-2C equipment. For each new equipment recommendation, submit a statement of why it is needed in the quantity proposed, what equipment it replaces, comparative performance characteristics, lead time and delivery considerations, and cost breakdowns (basic cost, spares, AGE, tech data, etc.).

2. Idealist Peculiar Support. This is a new category for submission purposes, altho discussed in connection with the FY 1968 financial program. It is established to identify those support requirements which are peculiar to Agency U-2C's and U-2R's, and do not apply to SAC/AFSC U-2's. Exclude "Maintenance Technicians" from this account. There are to be sub-divisions under this category as follows:

a. Airframe Support. As applicable, identify the line items costs for "Spares, Mod Kits," "Overhaul and Factory Engineering Support," and any other categories proposed.

b. Cameras. Identify the quantities of each type of camera to be supported, and the line item cost breakdowns under each type, such as spares and mod kits, overhaul and factory engineering support, etc.

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d. Pilot-Related. State the number of pilots planned to be supported, and submit the recommended costs for salaries and benefits, personal equipment (with sub-identification of spares and mod kits, and overhaul and factory engineering support), and support equipment (with sub-identification of spares and mod kits, and overhaul and factory engineering support).

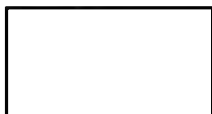
e. Construction Maintenance. State the basis for, and costs of, maintenance of existing construction. Exclude new construction recommendations from this sub-division.

f. Operations and Maintenance. State the basis for, and costs of, operations and maintenance.

3. Common Support. This is also a new category for submission purposes. It is established to identify those support requirements for Agency U-2C's and U-2R's which also apply to SAC/AFSC U-2's. Exclude "Maintenance Technicians" from this account. There are to be sub-divisions under this category as follows, where appropriate:

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**TOP SECRET**

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a. Airframe Support. As applicable, identify the line item costs for "Spares, Mod Kits," "Overhaul and Factory Engineering Support," and any other categories proposed.

b. Cameras. As applicable, identify the quantities of each type of camera to be supported, and the line item cost breakdowns under each type, such as spares and mod kits, overhaul and factory engineering support, etc.

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d. Pilot-Related. As applicable, submit the recommended costs for any common personal equipment and support equipment (with sub-identification of spares and mod kits, and overhaul and factory engineering support).

4. New Construction. Specifically identify any recommended new construction projects and the cost of each. Furnish data on type of construction, why required, and location.

5. Field Service Support. Identify the number of maintenance technicians and costs recommended by contractor, and identify costs common to SAC/AFSC U-2's (for this purpose, "common" is to be interpreted as those instances where a single contract with the company includes both Agency and SAC/AFSC coverage).

It will be necessary and required that the Agency and Director D/SPO cooperate on the development of the Idealist and Dragon Lady estimates. It is not necessary that Agency (Project) Generated Support and Depot Generated Support distinctions be included in the Idealist submissions, nor SPO Generated Support and Depot Generated Support distinctions be included in the Dragon Lady (Senior Year) submissions. However, it is expected that the Agency and Director D/SPO will address these distinctions in their evaluations and recommendations.

In all preceding cases, if there are reasons why support costs should vary significantly from the FY 1968 current DNRO approvals, provide clear explanations for the variance.

All costs are to be on an obligation basis.

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**TOP SECRET**

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PHOTOGRAPHIC MATERIALS AND PROCESSINGFY 1969 Financial Program Recommendations:

## 1. Photographic Processing:

a. Distinguish manpower and costs between production coordination, processing and reproduction of black and white missions, color processing and reproduction, film evaluation and testing laboratory, operational improvement, maintenance support to operations, technical assistance, community support, security, G&A and fee, and any other pertinent categories.

b. If increases above FY 1968 approvals are recommended for any of the preceding categories, provide narrative justification for the increases.

## 2. Film and Chemicals:

a. Provide tabulations of numbers of missions, rolls per mission, and costs assumed for CORONA

Provide the costs and basis for chemicals for production support and chemicals for supporting the R&D and Operational Improvement programs.

b. Provide tabulations of numbers of missions, rolls per mission, and costs assumed for U-2 aircraft, distinguishing between Agency and SAC aircraft, and between present U-2s and U-2Rs in each case. If other than U-2 support is included, provide a narrative statement on the basis for the requirements and costs.

## 3. Photographic Processing and Reproduction Equipment:

a. Provide a listing of the equipments, costs, and reasons for the proposed procurements.

b. Provide the anticipated costs and basis for anti-pollution chemical treatments required to conform to Federal and State requirements.

## 4. EKC Facilities:

In the event an expansion and/or rearrangement of EKC facilities is proposed, specific justification and lists of item requirements and costs will be required. The relocation and consolidation of engineering, R&D and color technology personnel and facilities should be additionally analyzed.

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